

Message Text

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67

ACTION EUR-25

INFO OCT-01 IO-13 ADP-00 AID-20 CEA-02 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02 STR-08

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FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 5421

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION GENEVA

USMISSION OECD PARIS

UNCLAS EC BRUSSELS 3570

E. O. 11652: N/ A

TAGS: ETRD, EEC, XA

SUBJECT: JUNE 25-26 EC COUNCIL: PREPARATIONS FOR

NEGOTIATIONS WITH AFRICAN ASSOCIATED AND

COMMONWEALTH ASSOCIALE COUNTRIES

REF: EC BRUSSELS 3410

1. SUMMARY. ON JUNE 26 THE EC COUNCIL OF MINISTERS CONSIDERED THAT COMMISSION'S DRAFT NEGOTIATING MANDATE FOR THE FORTHCOMING NEGOTIATIONS WITH THE AFRICAN ASSOCIATED AND COMMONWEALTH ASSOCIALE COUNTRIES. GENERAL AGREEMENT WAS REACHED ON SEVERAL POINTS OF THE MANDATE BUT THE COUNCIL DID NOT REACH AGREEMENT ON THE QUESTIONS OF RECIPROCITY OR THE UNCLASSIFIED

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SPECIAL COMMODITY ARRANGEMENTS PROPOSED BY THE COMMISSION.
END SUMMARY.

2. THE EC COUNCIL OF MINISTERS (FOREIGN MINISTERS) OPENED ITS DISCUSSION IN LUXEMBOURG ON JUNE 26 OF THE FORTHCOMING NEGOTIATIONS WITH THE AFRICAN ASSOCIATED AND COMMONWEALTH ASSOCIABLE COUNTRIES WITH A PRESENTATION BY COMMISSION MEMBER CHEYSSON, WHO DISCUSSED THE COMMISSION'S PROPOSAL REPORTED IN REFTEL. THERE WAS AGREEMENT AMONG THE MEMBER STATES ON SEVERAL POINTS ON THE COMMISSION'S DRAFT MANDATE. THESE INCLUDED AGREEMENT THAT THE ASSOCIATED STATES SHOULD RECEIVE AT LEAST AS FAVORABLE TREATMENT IN ANY NEW ASSOCIATION ARRANGEMENT TO BE NEGOTIATED AS THEY NOW RECEIVED UNDER THE YAOUNDE II CONVENTION. ALSO, THE ASSOCIABLE STATES, IF THEY CHOOSE TO AGREE TO A YAOUNDE- TYPE ASSOCIATION, SHOULD GET THE SAME TREATMENT AS THE ASSOCIATED STATES AND SHOULD PARTICIPATE ON AN EQUAL BASIS. THE MEMBER STATES ALSO INDICATED THAT THEY ARE PREPARED: TO GRANT DUTY FREE ACCESS TO MOST PRODUCTS FROM FUTURE ASSOCIATED STATES WITH SPECIAL TREATMENT FOR AGRICULTURAL AND PROCESSED AGRICULTURAL PRODUCTS EXPORTED FROM THESE COUNTRIES; AND TO MAINTAIN AN INSTITUTIONAL FRAMEWORK SIMILAR TO THAT NOW IN OPERATION UNDER YAOUNDE II.

3. ACCORDING TO OUR SOURCES, CHEYSSON EMPHASIZED THE NEED FOR WHAT HE CALLED A " FUNCTIONAL" RATHER THAN A " THEORETICAL" APPROACH TO THE TRADE RECIPROCITY ISSUE. HE STRESSED THE IMPORTANCE OF A PRAGMATIC DISCUSSION WITH THE ASSOCIATED AND ASSOCIABLE COUNTRIES IN WHICH THE THEORETICAL ASPECTS OF THE CONCEPT OF A FREE TRADE AREA WOULD BE DOWNPLAYED. ALTHOUGH THE CHEYSSON POSITION REMAINED SOMEWHAT VAGUE, SOME DELEGATIONS DETECTED A SOFTENING IN THE COMMISSION'S INSISTENCE ON THE FREE TRADE AREA APPROACH AND THE COMMISSION HAS BEEN ASKED TO " CLARIFY" FURTHER WHAT IT HAS IN MIND.

4. A COMMISSION SOURCE INTERPRETED CHEYSSON'S REMARKS TO US AS AIMED PRIMARILY AT DEVELOPING A NEW, MORE NUANCED, PRESENTATION OF THE PROBLEM WHICH MIGHT BE LESS OBJECTIONABLE TO THE ASSOCIATED AND ASSOCIABLE COUNTRIES. OUR SOURCE ADMITTED TO NO SUBSTANTIVE MODIFICATION IN THE COMMISSION'S POSITION. HE THOUGHT MEMBER STATES WERE ATTRACTED BY CHEYSSON'S PRESENTATION AS AN APPROACH WORTH CONSIDERING WHEN THE COMMUNITY MAKES ITS UNCLASSIFIED

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PITCH TO THE ASSOCIATED AND ASSOCIABLE STATES AT THE PRE-NEGOTIATION CONFERENCE IN LATE JULY.

5. IN THE DISCUSSION OF RECIPROCITY AND THE REVERSE PREFERENCES ISSUE THE BATTLE LINES WERE GENERALLY ABOUT THE SAME AS IN THE PAST THE FRENCH AND THE COMMISSION, SUPPORTED SOMEWHAT BY THE BELGIANS AND

LUXEMBOURGERS, REMAIN COMMITTED TO THE FREE TRADE AREA APPROACH. THE UK, DUTCH, DANES AND IRISH, FOR VARIOUS REASONS, ARE OPPONENTS TO RECIPROCITY. IN BETWEEN ACCORDING TO OUR SOURCES, ARE THE ITALIANS AND GERMANS. THE GERMANS APPARENTLY TOOK THE POSITION THAT A FREE TRADE AREA WITH THESE COUNTRIES WOULD EXIST AT BEST ONLY IN THEORY AND THAT, IN FACT, THROUGH EXCEPTIONS BASED ON BUDGETARY NEEDS, DEVELOPMENT NEEDS AND THE INSTITUTION OF FISCAL DUTIES THE COMMUNITY COULD NOT EXPECT TO OBTAIN MUCH BENEFIT FROM CUSTOMS DUTIES REDUCTIONS FROM THESE COUNTRIES. THE ITALIANS TOOK THE POSITION THAT THE COUNCIL NEED NOT SETTLE THE RECIPROCITY ISSUE NOW.

6. OUR SOURCES EXPECT THE PERM REPS AND THE COMMISSION TO CONTINUE THEIR DISCUSSION OF THE ISSUE OF SPECIAL COMMODITY AGREEMENTS WITH THE ASSOCIATED AND ASSOCIABLE STATES NEXT WEEK. WE ARE TOLD THAT THE MEMBER STATES HAVE ALREADY RAISED MANY QUESTIONS WITH REGARD TO THE COMMISSION'S PROPOSAL.

7. THE MEMBER STATES AND THE COMMISSION WILL CONTINUE TO WORK ON VARIOUS ASPECTS OF THE COMMISSION'S DRAFT MANDATE IN PREPARATION FOR THE LAST COUNCIL MEETING BEFORE THE SUMMER BREAK (JULY 23-24). THE GOAL IS AN APPROVED MANDATE BY THE END OF THAT MEETING. IN ADDITION, THE PERM REPS, WITH THE COMMISSION, WILL ALSO BE WORKING ON A DECLARATION OF THE COMMUNITY POSITION WHICH WILL BE MADE TO THE ASSOCIATED AND ASSOCIABLE COUNTRIES AT THE PRE- NEGOTIATING CONFERENCE SCHEDULED FOR JULY 25-26.

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